

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 03-05
)	
GERELL MANAGEMENT, INC. and)	
Joseph G. Leoni,)	
)	
and)	
)	
JOSEPH G. LEONI,)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around December 2002, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, Gerell Management, Inc. ("Gerell") and Joseph G. Leoni ("Leoni"). Gerell Management, Inc. is registered with the Business Registration Division as a limited partnership whose purpose is real estate investment and development, whose business address is 1154 Fort Street Mall, Suite 300, Honolulu, Hawaii. Joseph Leoni is the president of Gerell Management, Inc. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Gerell and Leoni, as an individual and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 1. On or around December 2002, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the Harris 2000 Campaign Committee ("Harris"), initiated an investigation involving excess contributions in violation of sections 11-204, HRS.
 2. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the

candidate's committee in an aggregate amount greater than \$4,000 during an election period.

3. Section 11-202, HRS, reads in part as follows: No person shall make a contribution of the person's own money or property of money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.
4. The election period for Jeremy Harris and the Harris 2000 campaign for Mayor of Honolulu includes the period from November 6, 1996 to November 7, 2000.
5. On or about June 16, 1997, Leoni made a contribution to Harris in the amount of \$2,000.
6. On or about April 9, 1999, Leoni made a contribution to Harris in the amount of \$1,000
7. On or about May 10, 1999, Leoni made a contribution to Harris in the amount of \$2,500.
8. That aggregate contributions from Leonil to the Harris 2000 campaign committee for the election period total \$5,500, excess contributions of \$1,500.
9. On or about October 4, 1996, Leoni/Gerell made a contribution to Harris in the amount of \$2,000, which was attributed to Darell Kloninger.

10. That Leoni/Gerell made a false name contribution to the Harris campaign in the amount of \$2,000.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #03-05, Gerell and Leoni understands and agrees to the following:

- (A) Gerell agrees to an assessment of **Seven Hundred Fifty Dollars (\$750)** pursuant to section 11-228, HRS.

- (1) For violation of section 11-204(a)(1)(C), HRS, making an excess campaign contribution to the Harris campaign committee for the 1996 - 2000 election period.

- (B) Leoni agrees to an assessment of **Seven Hundred Fifty Dollars (\$750)** pursuant to section 11-228, HRS.

- (1) For violation of section 11-202, HRS, making a false name contribution to the Harris campaign committee.

- (C) Gerell and Leoni agree to comply with campaign finance statutes on contribution and expenditures to candidate committees.

- (D) Terms of payment of the assessment shall be by Order of the Commission.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the

Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Gerell and Leoni on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENT(s)

Gerell Management, Inc.
Joseph G. Leoni, President

By: _____

(Name)

(Title)

Date: _____

Joseph G. Leoni

By: _____

Date: _____